



# House of Representatives

General Assembly

**File No. 115**

January Session, 2015

House Bill No. 6685

*House of Representatives, March 19, 2015*

The Committee on Aging reported through REP. SERRA of the 33rd Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

## **AN ACT INCREASING HOME CARE PROVIDER RATES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 17b-242 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective from*  
3 *passage*):

4 (a) The Department of Social Services shall determine the rates to be  
5 paid to home health care agencies and homemaker-home health aide  
6 agencies by the state or any town in the state for persons aided or  
7 cared for by the state or any such town. [For the period from February  
8 1, 1991, to January 31, 1992, inclusive, payment for each service to the  
9 state shall be based upon the rate for such service as determined by the  
10 Office of Health Care Access, except that for those providers whose  
11 Medicaid rates for the year ending January 31, 1991, exceed the median  
12 rate, no increase shall be allowed. For those providers whose rates for  
13 the year ending January 31, 1991, are below the median rate, increases  
14 shall not exceed the lower of the prior rate increased by the most  
15 recent annual increase in the consumer price index for urban

16 consumers or the median rate. In no case shall any such rate exceed the  
17 eightieth percentile of rates in effect January 31, 1991, nor shall any rate  
18 exceed the charge to the general public for similar services. Rates  
19 effective February 1, 1992, shall be based upon rates as determined by  
20 the Office of Health Care Access, except that increases shall not exceed  
21 the prior year's rate increased by the most recent annual increase in the  
22 consumer price index for urban consumers and rates effective  
23 February 1, 1992, shall remain in effect through June 30, 1993. Rates  
24 effective July 1, 1993, shall be based upon rates as determined by the  
25 Office of Health Care Access except if the Medicaid rates for any  
26 service for the period ending June 30, 1993, exceed the median rate for  
27 such service, the increase effective July 1, 1993, shall not exceed one  
28 per cent. If the Medicaid rate for any service for the period ending June  
29 30, 1993, is below the median rate, the increase effective July 1, 1993,  
30 shall not exceed the lower of the prior rate increased by one and one-  
31 half times the most recent annual increase in the consumer price index  
32 for urban consumers or the median rate plus one per cent.] The  
33 Commissioner of Social Services shall establish a fee schedule for home  
34 health services to be effective on and after July 1, 1994. The  
35 commissioner may annually modify such fee schedule if such  
36 modification is needed to ensure that the conversion to an  
37 administrative services organization is cost neutral to home health care  
38 agencies and homemaker-home health aide agencies in the aggregate  
39 and ensures patient access. Utilization may be a factor in determining  
40 cost neutrality. The commissioner shall increase the fee schedule for  
41 home health services provided under the Connecticut home-care  
42 program for the elderly established under section 17b-342, effective  
43 July 1, 2000, by two per cent over the fee schedule for home health  
44 services for the previous year. The commissioner shall increase the fee  
45 schedule for the Connecticut home-care program for the elderly and  
46 the pilot program, established pursuant to section 17b-617 to provide  
47 home care services to persons with disabilities, effective July 1, 2015,  
48 by not less than two per cent. Not later than June 30, 2016, the  
49 commissioner shall determine an additional increase in fees for  
50 providers of services to participants of said programs based on the cost

51 of services. The commissioner shall implement the increased rate in the  
52 fiscal year ending June 30, 2017. The commissioner may increase any  
53 fee payable to a home health care agency or homemaker-home health  
54 aide agency upon the application of such an agency evidencing  
55 extraordinary costs related to (1) serving persons with AIDS; (2) high-  
56 risk maternal and child health care; (3) escort services; or (4) extended  
57 hour services. In no case shall any rate or fee exceed the charge to the  
58 general public for similar services. A home health care agency or  
59 homemaker-home health aide agency which, due to any material  
60 change in circumstances, is aggrieved by a rate determined pursuant  
61 to this subsection may, within ten days of receipt of written notice of  
62 such rate from the Commissioner of Social Services, request in writing  
63 a hearing on all items of aggrievement. The commissioner shall, upon  
64 the receipt of all documentation necessary to evaluate the request,  
65 determine whether there has been such a change in circumstances and  
66 shall conduct a hearing if appropriate. The Commissioner of Social  
67 Services shall adopt regulations, in accordance with chapter 54, to  
68 implement the provisions of this subsection. The commissioner may  
69 implement policies and procedures to carry out the provisions of this  
70 subsection while in the process of adopting regulations, provided  
71 notice of intent to adopt the regulations is published [in the  
72 Connecticut Law Journal] on the Internet web site of the department  
73 and the eRegulations System not later than twenty days after the date  
74 of implementing the policies and procedures. Such policies and  
75 procedures shall be valid for not longer than nine months.

76 Sec. 2. Section 17b-343 of the general statutes is repealed and the  
77 following is substituted in lieu thereof (*Effective from passage*):

78 The Commissioner of Social Services shall establish annually the  
79 maximum allowable rate to be paid by agencies for homemaker  
80 services, chore person services, companion services, respite care, meals  
81 on wheels, adult day care services, case management and assessment  
82 services, transportation, mental health counseling and elderly foster  
83 care. [, except that the maximum allowable rates in effect July 1, 1990,  
84 shall remain in effect during the fiscal years ending June 30, 1992, and

85 June 30, 1993.] The Commissioner of Social Services shall prescribe  
 86 uniform forms on which agencies providing such services shall report  
 87 their costs for such services. Such rates shall be determined on the  
 88 basis of a reasonable payment for necessary services rendered. The  
 89 maximum allowable rates established by the Commissioner of Social  
 90 Services for the Connecticut home-care program for the elderly  
 91 established under section 17b-342 shall constitute the rates required  
 92 under this section until revised in accordance with this section. The  
 93 Commissioner of Social Services shall establish a fee schedule, to be  
 94 effective on and after July 1, 1994, for homemaker services, chore  
 95 person services, companion services, respite care, meals on wheels,  
 96 adult day care services, case management and assessment services,  
 97 transportation, mental health counseling and elderly foster care. The  
 98 commissioner [may] shall annually increase [any fee] fees in the fee  
 99 schedule based on an increase in the cost of services. The  
 100 commissioner shall increase the fee schedule effective July 1, 2000, by  
 101 not less than five per cent, for adult day care services. The  
 102 commissioner shall increase the fee schedule effective July 1, 2011, by  
 103 four dollars per person, per day for adult day care services. The  
 104 commissioner shall increase the fee schedule for the Connecticut  
 105 home-care program for the elderly, established pursuant to section  
 106 17b-342, and the pilot program, established pursuant to section 17b-617  
 107 to provide home care services to persons with disabilities, by not less  
 108 than two per cent effective July 1, 2015. Not later than June 30, 2016,  
 109 the commissioner shall determine an additional increase in fees for  
 110 providers of services to participants of said programs based on the cost  
 111 of services. The commissioner shall implement the increased rate in the  
 112 fiscal year ending June 30, 2017. Nothing contained in this section shall  
 113 authorize a payment by the state to any agency for such services in  
 114 excess of the amount charged by such agency for such services to the  
 115 general public.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	17b-242(a)
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Sec. 2	<i>from passage</i>	17b-343
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**AGE**      *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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## **OFA Fiscal Note**

### **State Impact:**

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 16 \$</b>	<b>FY 17 \$</b>
Social Services, Dept.	GF - Cost	not less than 4.4 million	not less than 4.4 million

**Municipal Impact:** None

### **Explanation**

The bill requires the Department of Social Services (DSS) to increase the fee schedule for the Connecticut Home Care (CHC) program by at least 2%, effective July 1, 2015. Based on total projected gross program expenditures, a 2% rate increase would cost an additional \$8 million, which results in net costs of \$4.4 million in FY 16 and FY 17.

The bill further requires DSS to 1) annually increase fees for various other homecare related services including homemaker, companion, meal, and transportation services; and 2) determine an additional rate increase for the CHC program, effective July 1, 2015. This rate increase is to be based on the cost of services, which is not defined. It cannot be known in advance what rate increases DSS will establish.

For purposes of illustration, each additional 1% increase would result in a net cost of approximately \$2.2 million annually.

### **The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and the rate increases imposed by DSS.

**OLR Bill Analysis****HB 6685*****AN ACT INCREASING HOME CARE PROVIDER RATES.*****SUMMARY:**

This bill requires the social services commissioner to increase, by at least 2%, the fee schedule for certain services provided through the Connecticut Home Care Program for Elders (CHCPE) and the pilot Connecticut Home Care Program for Disabled Adults (CHCPDA), effective July 1, 2015. By June 30, 2016, the commissioner must determine an additional increase based on service costs, to be implemented in FY 17.

The bill also requires, rather than allows, the commissioner to annually increase the fees for the following services based on cost: homemaking, chore service, companionship, respite care, meals on wheels, adult day care, case management and assessment, transportation, mental health counseling, and elderly foster care.

By law, the commissioner may implement policies and procedures while in the process of adopting regulations about payments to home health care and homemaker-health aide agencies, as long as he provides a notice of intent to adopt regulations within 20 days after the date of policy implementation. The bill requires the commissioner to publish the notice on the department's website and the Secretary of State's online eRegulations system, instead of the *Connecticut Law Journal*. By law, such policies and procedures are valid for a maximum of nine months.

The bill also removes obsolete language about the payment rate for home-based services in the early 1990s.

EFFECTIVE DATE: Upon passage

**BACKGROUND*****Program Descriptions***

CHCPE is a Medicaid waiver and state-funded program that provides home- and community-based services for eligible individuals age 65 and older who are institutionalized or at-risk for institutionalization.

CHCPDA is a state-funded pilot program that provides the same services available under CHCPE to people age 18 to 64 as an alternative to institutional care.

***Related Bill***

HB 6394, reported favorably by the Aging Committee, requires the social services commissioner to increase the fee schedule for certain services, including services provided through CHCPE. It also (1) eliminates identical obsolete language about outdated payment rates and (2) includes the same provision requiring publication of regulation notices on the department website and the eRegulations system, rather than the *Connecticut Law Journal*.

**COMMITTEE ACTION**

Aging Committee

Joint Favorable

Yea 13      Nay 0      (03/05/2015)